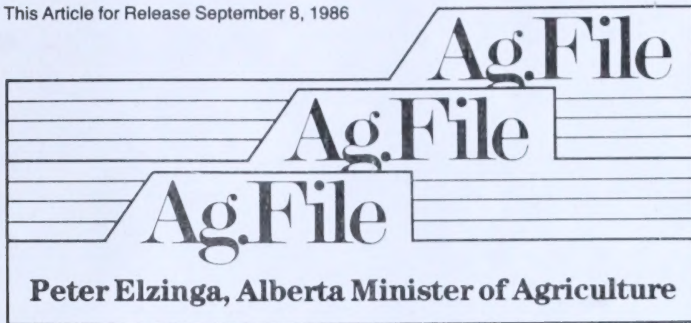


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FARM FERTILIZER PRICE PROTECTION PLAN EXTENDED

The recent U.S. move subsidizing American exports to traditional Canadian markets, most notably wheat exports to the USSR, is just the latest in a series of international events that have put severe downward pressure on grain prices. The result has been that Alberta farmers are increasingly vulnerable to the effects of an international cost-price squeeze which has severely reduced profit margins.

The Government of Alberta is fighting back on behalf of producers on several fronts. As I mentioned in my last "Ag. File", the Province is pushing for bilateral and multilateral trade discussions as a means of putting an end to unfair international competition that has adversely affected the prices of agricultural commodities. That's a long-term solution.

In the short-term, to help farmers now, your government is continuing its efforts to reduce farm input costs. One initiative, the recently implemented \$2 billion Alberta Farm Credit Stability Program, is helping to significantly reduce producers' interest costs. Another measure, the Alberta Farm Fuel Distribution Allowance, continues to save farmers 14¢ on each litre of fuel used on their operations. And, as I was pleased to announce July 30, the farm fertilizer price protection program has been extended, and will be in effect for another full year.

The Alberta Farm Fertilizer Price Protection Plan helps farmers reduce production costs by paying a grant of \$50 per tonne of actual nitrogen and \$25 per tonne of actual phosphate contained in fertilizer purchased and used since August 1, 1984.

Alberta farmers purchase \$300 million worth of fertilizer annually, which can represent as much as 30 per cent of their cash input costs of crop production. Dryland

farmers seeding wheat in south-eastern Alberta may spend \$15.00 an acre on fertilizer, while north-central Alberta farmers growing barley or canola may spend \$25.00 an acre or more.

Because fertilizer is such a significant input cost, the farm fertilizer price protection program has, I'm informed, been very well received by farmers and fertilizer dealers in the province. Since the inception of the program, my department has received more than 44,000 applications. This represents a total payment of just under \$30 million, or an average payment per farm of roughly \$950.

With Canadian Wheat Board initial prices announced to be from 19 to 29 per cent lower beginning the new crop year August 1, 1986, the fertilizer price protection program has become even more important for Alberta farmers. I was therefore extremely pleased to announce the extension of the program for a third year.

The program extension became effective on August 1, 1986, and means that applications for the program will now be received until January 31, 1988, to accommodate payments for fertilizer purchased to July 31, 1987.

Further information about the program and program application forms are available from district agriculture offices across the province.

I am very pleased to note that the Province's continued reduction of fertilizer costs, in combination with measures which lower the costs of farm fuels, farm chemicals and farm credit, has given Alberta farmers the lowest input costs in Canada. Despite lower grain prices and other difficulties facing the agriculture industry, government programs like the Farm Fertilizer Price Protection Plan are helping us to forecast an increase in Alberta farm income in 1986-87.